

CALIFORNIA TRANSPORTATION COMMISSION AIRSPACE ADVISORY COMMITTEE MEETING

Thursday, October 18, 2001
1:00 a.m. - 4:30 p.m.

Video Conference
From
Caltrans Districts 4, 6, 7, and 12

MINUTES

The meeting of the California Transportation Commission's Airspace Advisory Committee was called to order at 1:15 p.m. on October 18, 2001, via video-conference from Caltrans' Districts 4, 6, 7, and 12.

Those in attendance were as follows:

Committee Members: N. Gruen - Vice Chair (District 4), G. Moss (District 7), B. Hauf (District 12), John Glassmoyer (District 12), J. Nagle (District 4)

Commission Staff: D. Eidam (District 4)
K. Jacobs (District 4)

Caltrans Staff: S. Atkins (District 4), P. Schultze (District 4), B. Wilson (District 4), S. Ikeda (District 6)

Those absent: Al Auer, Max Green, Roslyn Payne, Wylie Grieg

The meeting adjourned at 3:05 p.m.

Proceedings:

Item 1. Introductions

Each person introduced themselves and their location. Kathie Jacobs introduced Diane Eidam, new Executive Director, California Transportation Commission. Diane made comments on behalf of the Commission recognizing the due diligence of the Committee in pursuing the most value out of the State's excess properties. Nina Gruen, Vice-Chair, welcomed Diane to the CTC and spoke on behalf of the Committee mentioning each member's interest and dedication to the Committee.

Item 2. Committee Business

1. Kathie Jacobs notified the Committee that Committee Chair, Al Auer, and Committee member Max Green, both from southern California would be resigning at the end of this calendar year. Nina Gruen, Vice Chair, acknowledged the length of time and the dedication that both men have put into the Committee. Max Green has been on the Committee since its inception in 1986, and Al Auer has been on the Committee since 1991, and has been the Chair since 1993-94. George Moss suggested that the Commission might want to put some kind of commendation together for them, as they have both been a tremendous asset to the Commission and the Department and they will be greatly missed.
2. With Al and Max leaving Kathie requested that the members think about people that might be interested in the Committee. Both Al and Max are from southern California and it was suggested to look at others from the south, as well as someone from central California to have representation statewide.
3. There was discussion regarding the necessity to nominate a new chair and vice chair.
4. Next year meeting dates were discussed as follows:
 - January 9, 2002 - 2nd Wednesday
 - April 17, 2002 - 3rd Wednesday
 - July 10, 2002 - 2nd Wednesday
 - October 16, 2002 - 3rd Wednesday

The dates are based on the Commission meeting schedule. Kathie asked the Committee to check their calendars and get back to her as soon as possible so that the meeting rooms can be scheduled.

ACTION: Kathie Jacobs, discuss George's suggestion with Chairman Lawrence and let the Committee know what's decided. *Done, the particulars still need to be worked out.*

Kathie Jacobs, send a request to the Committee members for nomination of new members. *Done*

Kathie Jacobs, send nomination forms to the members requesting chair and vice chair nominations. *Done*

Committee, send Kathie meeting date schedule by mid-November.

Item 3. Approval of July 2001 Minutes

The minutes were presented for approval. Committee member Bill Hauf moved to approve the minutes. Committee member George Moss seconded the motion, which carried 5-0 (Al Auer, Max Green, Roslyn Payne and Wylie Grieg were absent). There was no discussion or requests for amendments.

Item 4. Airspace - Request to Directly Negotiate Holliday Development, LLC. 04-ALA-880-XXXX

Jim Bozionelos, Caltrans District 4, introduced Richard Holliday and Rick Mariano of Holliday Development, LLC, then discussed the item and described the area that the Department is requesting to directly negotiate. Holliday Development would like to construct office space, live-work and renovation of a train site within Holliday properties.

Only parking would be on the State property. Mr. Holliday discussed the recent purchase of some Oakland property and why he wants to pursue a long-term lease with Caltrans. They're looking forward to working with the Department and hope that the discussions will lead to the approval to start direct negotiations for a lease. Bill Hauf asked questions regarding the right of way still owned by the railroad and why the Department wants to buy the property. Mr. Bozionelos replied that the Department has always intended to purchase the property, however, the negotiations were taking too long and to expedite the rebuilding of the freeway and to keep the project moving forward it was decided to use the right of entry while pursuing the purchase. Bill Hauf then inquired if the purchase was being accelerated due to the developer wanting to use the property and the Department assured him that no, the intent has always been to purchase the property to maintain the freeway system. Bill Hauf asked what the proposed use of the site would be and Mr. Holliday answered that it will be mixed use but all the plans have yet to be worked out. The EIR has the property use as 500, 000 square feet of commercial, with some residential loft style urban development, 3-4 story buildings. The project will be build-to-suit. The parking will be for the commercial use. Committee member Jack Nagle acknowledged that he would refrain from participating, as his law firm has represented Mr. Holliday in the past and his firm is actively representing some in his company now. Committee member Bill Hauf moved approval to allow the Department to start direct negotiations with Holliday Development, L.L.C. for a long-term airspace lease. Committee member John Glassmoyer seconded the motion, and Committee member Jack Nagle abstained. The motion carried 4-0-1 (Al Auer, Max Green, Roslyn Payne and Wylie Grieg were absent).

Item 5. Excess Land - Proposed Direct Sale Value in Excess of \$1 Million - City of Clovis Redevelopment Agency

P. Acosta presented this item to allow for a direct sale to the City of Clovis Redevelopment Agency. Committee member Jack Nagle asked why the appraisal doesn't include consideration of attaching the other adjacent parcels and does the redevelopment agency plan to purchase the adjacent property, which would mean that the property in question would go up in value. Vice-Chair Nina Gruen reminded the agency that it's the committee's charge to get the maximum value for the state and that public agencies may get first dib but they don't get special consideration. George Moss noted that it appears that the intent is to put up 3-4 story mid-rise office buildings along the freeway frontage. Bill Hauf asked whether there was an agreement with the redevelopment agency and the developer. The City said no, that they're relying on the appraisal. Nina Gruen said she's personally uncomfortable with the \$2 per square foot for the massive part of the property and Bill Hauf said that he shares the same concern. George Moss asked who owns the other parcel and is the City in negotiation with them? Bill Hauf has questions regarding the parking and whether the buses and general public will become part of the project. The Committee wants the property looked at a bit more broadly. Where does this property fit into the whole picture? If recreational and bus parking are included it could become very lucrative. A question was asked regarding any statutory requirement for the disposal of the excess property and Steve Ikeda, Caltrans Right of Way, answered that they're not under any statutory requirement. The Committee would like staff appraisers to go back and include the entire area and determine what the impact would be to include

the outside area. The Committee requested that the Department return in January 2002, after taking a more focused look at what the land values are. The Department needs to make sure that it's truly market value and remember that the City is going to have control and would ultimately control the value.

ACTION: Department, make an appraisal of the property taking into consideration the surrounding property and its use. In January 2002, return with a report that includes answers to all the questions asked above.

Item 6. FY 2001-02 Asset Management Business Plan

Tom White, Caltrans, presented the Asset Management Business Plan for FY 2001-02. Tom mentioned that the Department is committed to having the Asset Management Inventory (AMI) database implemented by June 2002. Nina Gruen asked how the Department intends to keep the data up to date. Tom discussed that they run an annual report, send it to the district and have them review it. Based on their review the system is updated. They also use information provided by the Department of General Services (DGS) and match it against their information and update the system with any new information. By using the cross matching the Department feels that the potential for having items fall through the cracks will be greatly diminished. Nina Gruen then asked how the Department intends to get the system to recognize underutilized facilities/sites? Tom White noted that the current system doesn't have that capability but that the Department is working toward getting the ability to recognize those types of facilities. At this time most of the information comes from outside the Department. Nina thanked Tom for the report and expressed the Committee's interest in the database and commended the Department for their efforts.

Item 7. Status of the Airspace Program

Bruce Wilson presented the item, which gave the background on the Airspace Program. Bruce noted that the Airspace Program is land available for lease and not for sale. Airspace is traditionally defined as an area under freeway structures with the definition expanded to include any leaseable area within freeway right of way. It was reported that the Airspace Program generated approximately \$20.5 million in revenue. That does not include the \$10 million from the Wireline (fiber optic) Program. Bruce discussed that the Division of Right of Way manages approximately 865 airspace sites statewide, some of the current airspace sites will be moved out of the inventory because of transfers to local agencies and in turn revenues will go down. Currently the Airspace Program has 101 wireless sites licensed and producing an annual income. It was noted that the leasing of sites for towers might not be as lucrative in the future as satellite becomes more popular. Peter Schultze, Right of Way, discussed the Wireline Program. He noted that it's not an actual program yet, however, the Department is working on a policy for leasing for wireline uses. The Department will need to set compensation amounts. Pete will give a progress report at every AAC meeting.

ACTION: Peter Schultze, provide an update on the Wireline Program at the next AAC meeting.

Item 8. Bi-Annual Airspace Report

Bruce Wilson, Right of Way, discussed the Bi-Annual Airspace Report noting that the bulk of the income is from District 4 and that a large part of the increase from the Wireless Program is due to wireless companies paying in advance. The nearly \$20 million in income does not include the \$10 million from the Wireline Program.

Committee Member George Moss said that it appears that there's a good dose of activity in recent years, what's that attributed to, even though there doesn't seem to be any current activity? Peter Schultze answered that there's been a change in leasing philosophy and restrictions on use are pretty significant. They now allow parking and open storage and most are done through public bid and short-term leases. George Moss then questioned the leases and asked whether they were supposed to come to the AAC. Pete responded with; no, State law says that everything must go out to public bid except when it's in the best interest of the State to directly negotiate. If it's decided to directly negotiate with a private party then it goes to the Committee. The question was raised regarding the Stockton property that went before the Committee a few months ago and it was said that the property will go out to bid and therefore would not be back before the Committee. Steve Ikeda, Right of Way, briefly discussed some of the bills that affected airspace and excess lands.